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FOR RELEASE
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UNITED STATES DEPARTMENT OF AGRICULTURE
OFFICE OF FOREIGN AGRICULTURAL RELATIONS
WASHINGTON 25, D.C.

LATE NEWS

Grain production in Iraq this year is smaller than early season forecasts indicated, according to latest official estimates. The wheat crop, now estimated at 18.4 million bushels is about 15 percent less than expected because of damage from flooding in May. The present outlook, however, is for a larger harvest than in either of the past 2 years. The barley crop was also damaged by the floods, and the total outturn is now estimated at 36.7 million bushels. Though somewhat smaller than earlier prospects, a crop that size would be slightly larger than in 1949 and well above average. Iraq is a surplus producer of barley, with total shipments for July 1949 to April 1950 amounting to 25 million bushels. The floods caused no damage to the late crops, corn, millet, and sorghum, according to reports. These grains are not grown in significant quantities.

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FOREIGN CROPS AND MARKETS

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U.S. FOREIGN TRADE IN AGRICULTURAL PRODUCTS DURING 1949-50 [1]

United States exports of agricultural products during 1949-50 (July-June) were valued at $3,011,547,000 compared with $3,829,431,000 during 1948-49, a reduction of 21 percent. The nation's exports of all commodities, both agricultural and nonagricultural, amounted in value to $10,106,512,000 during the past fiscal year compared with $12,662,486,000 during the preceding year, a reduction of 20 percent. Agricultural products accounted for 30 percent of the total during the year under review as well as for a year earlier.

Cotton, as usual, held first place in the value of agricultural exports, the total during the year amounting to $943,805,000 compared with $807,230,000 in 1948-49, an increase of 17 percent. Exports of wheat and wheat flour, valued at $694,801,000 compared with $1,306,860,000 during the preceding year, held second place. In this instance, the value of United States exports declined by 47 percent. Leaf tobacco was the third most important agricultural export during the year under review, the total amounting to $235,278,000 against $225,051,000 in 1948-49, an increase of 5 percent.

On a quantitative basis, the outstanding features of the 1949-50 agricultural exports, compared with those for 1948-49, were the large increases in exports of dried eggs, pork, lard, tallow, cotton, apples, fresh pears, raisins and currants, corn, rice, soybean oil, and white potatoes. On the other hand, the figures reveal large or substantial reductions in exports of dairy products, horse meat, grapefruit, oranges, prunes, grain sorghums, wheat and wheat flour, peanuts, soybeans and soybean flour, and dried beans and peas.

United States imports of agricultural products during 1949-50 were valued at $3,175,945,000 compared with $3,000,768,000 during 1948-49, an increase of 6 percent. The nation's imports of all commodities, both agricultural and nonagricultural, amounted in value to $7,022,257,000 during the past fiscal year compared with $6,971,608,000 during the preceding year, an increase of less than 1 percent. Heading the list, and far in the lead of any other agricultural products, were coffee, sugar, wool, rubber, cocoa or cacao beans and hides and skins. As usual, so-called complementary products, of which there is little or no commercial production in the United States, constituted a large part of the total imports. Agricultural products constituted 45 percent of the value of the nation's imports during the year compared with 43 percent in 1948-49.

On a quantitative basis, the outstanding features revealed by the 1949-50 import figures, compared with those for the preceding year, were the large increases in imports of casein and lactarene, cheese, hides and skins, wool, prepared and preserved pineapples, barley malt, hops, copra, coconut oil, molasses unfit for human consumption, white potatoes, cocoa or cacao beans, tea and spices. On the other hand, imports of such products as canned and corned beef, almonds, flaxseed, tung oil, tomatoes, bananas and coffee show large or substantial reductions.

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[1] Fuller details than this summary presents will be published in U.S. Foreign Trade in Agricultural Products for 1949-50 available on request from the Office of Foreign Agricultural Relations, U. S. Department of Agriculture, Washington 25, D.C.

UNITED STATES: Summary of exports, domestic, of selected agricultural products, during 1948-49 and 1949-50

Commodity exported	Unit	Year beginning July 1			
		Quantity		Value	
		1948-49	1949-50	1948-49	1949-50
		Thousands	Thousands	1,000 dollars	1,000 dollars
ANIMAL PRODUCTS:					
Butter	Lb.	4,765	3,482	3,575	2,478
Cheese	Lb.	150,489	27,980	61,516	10,301
Milk, condensed	Lb.	104,358	37,441	21,469	8,106
Milk, whole, dried	Lb.	98,211	65,112	51,839	31,907
Nonfat dry milk solids	Lb.	195,650	189,924	30,073	25,116
Milk, evaporated	Lb.	322,877	183,280	46,221	23,235
Eggs, dried	Lb.	8,426	36,172	6,443	12,975
Beef and veal, total 1/	Lb.	16,923	19,207	6,281	6,495
Pork, total 1/	Lb.	43,421	56,548	15,311	16,498
Horse meat	Lb.	93,678	19,357	15,029	2,771
Lard (including neutral)	Lb.	488,855	543,391	85,957	68,259
Tallow, edible and inedible	Lb.	259,936	379,851	29,017	29,406
VEGETABLE PRODUCTS:					
Cotton, unmfd, excl. linters (480 lb.)	Bale	4,904	5,957	807,230	943,805
Apples, fresh	Lb.	65,311	140,609	5,525	8,793
Grapefruit, fresh	Lb.	159,450	79,235	5,191	3,702
Oranges, fresh	Lb.	474,033	388,303	21,396	19,476
Pears, fresh	Lb.	15,181	23,144	1,397	2,021
Prunes, dried	Lb.	192,893	152,496	17,800	14,158
Raisins and currants	Lb.	133,510	173,518	11,673	15,340
Fruits, canned	Lb.	77,534	78,432	12,346	10,863
Fruit juices	Gal.	18,080	17,338	15,779	16,381
Barley, grain (48 lb.)	Bu.	23,479	20,814	46,058	27,437
Barley malt (34 lb.)	Bu.	4,078	3,177	11,859	7,619
Corn, grain (56 lb.)	Bu.	89,117	109,208	145,617	164,370
Grain sorghums (56 lb.)	Bu.	34,479	28,108	59,303	37,842
Rice, milled, brown, etc.	Lb.	872,388	944,913	77,741	68,350
Wheat, grain (60 lb.)	Bu.	375,255	264,712	967,804	598,297
Flour, wholly of U.S. wheat (100 lb.)	Bag	56,393	17,027	331,850	74,045
Flour, other (100 lb.)	Bag	1,178	4,162	7,206	22,459
Hops	Lb.	12,400	13,194	8,791	9,501
Peanuts, shelled	Lb.	470,176	153,389	73,775	16,648
Soybeans (except canned)	Lb.	1,106,966	1,022,030	50,097	44,195
Soybean oil, crude and refined	Lb.	235,043	329,091	39,903	44,439
Soybean flour	Lb.	336,188	19,078	20,979	981
Seeds, field and garden	Lb.	39,033	19,834	11,966	6,864
Tobacco, bright flue-cured	Lb.	337,247	387,146	170,774	188,801
Tobacco, leaf, other	Lb.	105,692	91,628	54,277	46,477
Beans, dried	Lb.	186,494	83,177	17,785	6,715
Peas, dried	Lb.	127,435	64,416	11,184	3,556
Potatoes, white	Lb.	287,185	687,762	8,400	8,239
Vegetables, canned	Lb.	79,773	65,641	11,656	9,707
Total above				3,398,093	2,658,628
Food exported for relief, etc.				29,926	23,871
Other agricultural products				401,412	329,048
Total agricultural				3,829,431	3,011,547
Total all commodities				12,662,486	10,106,512

1/ Product weight.

Compiled from official records, Bureau of the Census.

UNITED STATES: Summary of imports for consumption of selected agricultural products during 1948-49 and 1949-50

Commodity imported	Unit	Year beginning July 1			
		Quantity		Value	
SUPPLEMENTARY		1948-49	1949-50	1948-49	1949-50
				1,000	1,000
ANIMALS AND ANIMAL PRODUCTS:		Thousands	Thousands	dollars	dollars
Cattle, dutiable	No.	512	482	76,415	66,367
Cattle, free (for breeding)	No.	30	23	7,828	6,428
Casein and lactarene	Lb.	28,808	48,255	6,006	6,564
Cheese	Lb.	25,135	40,735	14,288	19,052
Hides and skins	Lb.	157,881	226,780	72,363	85,124
Beef canned, incl. corned	Lb.	116,178	85,366	37,715	27,323
Wool, unmfd, excl. free, etc.	Lb.	258,495	367,684	153,526	219,964
VEGETABLE PRODUCTS:					
Cotton, unmfd., excl. linters (480 lb.)	Bale	170	264	35,874	45,391
Jute and jute butts, unmfd. (2,240 lb.)	Ton	78	47	30,716	12,616
Apples, green or ripe (50 lb.)	Bu.	1,952	1,935	5,840	4,236
Olives in brine	Gal.	10,198	9,329	19,112	15,791
Pineapples, prep. or preserved	Lb.	84,044	106,040	10,913	12,485
Barley malt	Lb.	57,395	91,174	3,013	4,462
Hops	Lb.	3,923	5,684	4,174	6,678
Almonds, shelled	Lb.	10,304	1,458	3,429	479
Brazil or cream nuts, not shelled	Lb.	25,764	22,828	2,876	2,290
Cashew nuts	Lb.	38,238	39,472	14,879	13,782
Coconut meat, shredded, etc.	Lb.	122,908	118,925	23,254	19,052
Castor beans	Lb.	285,149	287,278	16,413	14,128
Copra	Lb.	694,785	901,184	75,449	70,796
Flaxseed (56 lb.)	Bu.	617	2	3,486	8
Coconut oil	Lb.	106,826	132,383	18,688	16,664
Palm oil	Lb.	70,613	68,889	11,650	7,615
Tung oil	Lb.	99,954	76,372	18,495	15,313
Sugar, excl. beet (2,000 lb.)	Ton	3,781	3,415	367,789	347,123
Molasses, unfit for human consumption	Gal.	218,338	251,040	22,308	14,476
Tobacco, cigarette leaf	Lb.	65,707	64,367	49,482	46,415
Tobacco, other leaf	Lb.	15,928	16,271	23,597	23,849
Potatoes, white	Lb.	552,554	600,423	13,112	12,261
Tomatoes, natural state	Lb.	204,424	171,115	15,553	9,806
COMPLEMENTARY					
Wool, unmfd., free in bond	Lb.	230,894	269,040	72,202	99,688
VEGETABLE PRODUCTS:					
Bananas	Bunch	57,767	53,747	50,711	55,888
Coffee (ex. into Puerto Rico)	Lb.	2,779,878	2,567,548	708,727	869,930
Cocoa or cacao beans	Lb.	592,855	658,770	156,371	132,846
Tea	Lb.	89,175	104,537	43,487	50,534
Spices (complementary)	Lb.	59,692	80,319	26,383	47,499
Sisal and henequen (2,240 lb.)	Ton	120	133	37,611	32,499
Rubber, crude	Lb.	1,609,582	1,595,899	296,712	259,152
Total above				2,550,447	2,694,574
Other agricultural products				450,321	481,371
Total agricultural products				3,000,768	3,175,945
Total all commodities				6,971,608	7,022,257

Compiled from official records, Bureau of the Census.

On balance, United States imports of agricultural products during 1949-50 exceeded the value of its agricultural exports by $164,398,000. In contrast during 1948-49 agricultural exports exceeded imports of agricultural products by $828,663,000.---By Leo J. Schaben.

JULY 1 GRAIN STOCKS LARGE

Grain stocks in the four principal exporting countries were again large on July 1, 1950 according to estimates of the Office of Foreign Agricultural Relations. Total stocks of the five grains; wheat, rye, barley, oats, and corn are tentatively estimated at 74.1 million short tons, slightly in excess of the large 1949 stocks now estimated at 73.7 million short tons. At that level mid-year stocks in both 1949 and 1950 were sharply above those of any other year since 1944. Current stocks were about 40 percent above the 1944-48 average and were 70 percent larger than the small stocks on July 1, 1948.

Of the 74.1 million tons of grain estimated on hand July 1, about 58 million tons, or 78 percent of the total stocks, were in the United States, on the basis of the preliminary estimates. This is in contrast with the 1944-48 average period when the United States grain stocks represented 54 percent of the total. The United States holdings were unusually large last year too, being 71 percent of the total. The greatest change in the other countries is noted for Argentina, where theJuly 1 stocks have sunk to a low of 5.9 million tons, 8 percent of the total compared with an average of 23 percent during 1944-48 when stocks, however, were unusually large. Canada's share has declined from 17 percent in the average period to 9 percent for both this year and last. Little change is indicated in the position of Australia.

A distinction should be noted between grain stocks in the two Northern Hemisphere countries and those in Argentina and Australia. Stocks in the Southern Hemisphere countries are mid-season supplies and thus include grain for domestic use and for export up to the beginning of their new crop season on December 1 for small grains and April 1 for corn. In the United States July 1 stocks of small grains represent actual carry-over into the new marketing season, and with only 3 months to the end of the corn season. In Canada the new crop year begins only a month later, thus stocks in those countries approximate the year-end carry-over of small grains in North America.

The slight increase over 1949 stocks is due to larger wheat supplies. An increase of 120 million bushels of wheat in the 4 countries more than offset reductions in the other grains. The bulk of the gain in wheat stocks occurred in the United States where carry-over stocks were about 110 million bushels above the 1949 figure. Wheat stocks in Canada showed virtually no change from their 1949 level. Larger supplies in Australia more than offset a small decline in Argentine wheat.

Grains: Estimated stocks in the principal exporting countries, July 1, 1950 with comparisons

Country and year	Wheat	Rye	Barley	Oats	Corn	Total
	Million bushels	Million bushels	Million bushels	Million bushels	Million bushels	1,000 short tons
United States						
1944	319	31	76	208	587	32,026
1945	279	12	95	234	754	35,842
1946	100	2	59	292	532	24,040
1947	84	2	56	276	717	28,412
1948	196	3	52	184	454	22,868
Average	196	10	68	239	609	28,638
1949	308	8	101	295	1,293	52,812
1950 1/	417	10	81	218	1,421	58,010
Canada						
1944	398	6	65	2/ 145	3/	16,133
1945	314	3	44	2/ 140	3/	12,940
1946	104	1	41	2/ 108	3/	5,968
1947	124	1	40	2/ 95	3/	6,323
1948	105	1	42	2/ 71	3/	5,393
Average	209	2	46	2/ 112	3/	9,351
1949	135	12	40	85	3/	6,791
1950 1/	136	7	32	70	3/	6,234
Argentina						
1944	290	15	24	45	310	19,096
1945	175	8	31	57	155	11,470
1946	115	8	25	35	125	8,334
1947	125	15	40	25	230	11,970
1948	130	10	20	30	225	11,440
Average	167	11	28	38	209	12,462
1949	125	16	15	50	200	10,958
1950 1/	110	8	12	42	50	5,884
Australia						
1944	159	3/	5	12	3/	5,082
1945	50	3/	3	6	3/	1,668
1946	68	3/	6	15	3/	2,424
1947	56	3/	7	10	3/	2,008
1948	105	3/	10	25	3/	3,790
Average	88	3/	6	14	3/	2,994
1949	95	3/	5	10	3/	3,130
1950 1/	120	3/	7	12	3/	3,960
Total						
1944	1,166	52	170	410	897	72,337
1945	818	23	173	437	909	61,920
1946	387	11	131	450	657	40,766
1947	389	18	143	406	947	48,713
1948	536	14	124	310	679	43,491
Average	659	23	148	403	818	53,445
1949	663	36	161	440	1,493	73,691
1950 1/	783	25	132	342	1,471	74,088

1/ Preliminary estimates
2/ As reported in bushels of 34 pounds; other countries shown in bushels of 32 pounds.
3/ Production small and remaining stocks believed to be negligible.

Office of Foreign Agricultural Relations. Prepared or estimated on the basis of official statistics, reports of the U.S. Foreign Service officers, or other information.

Total corn stocks, which reached an all-time high of 1493 million bushels in 1949, were only slightly reduced from that high figure in mid-year 1950. Stocks on July 1, 1950 were 80 percent above the 1944-48 average, and the United States stocks accounted for 97 percent of that total. A substantial increase in the United States, compared with 1949 stocks, was over-balanced by a sharp reduction in Argentina.

The virtual failure of the corn crop harvested in Argentina, early in 1950, together with the comparatively small carry-over, is now estimated to have brought the supply at the beginning of the crop season (April 1) to only 80 million bushels. That is well below normal domestic requirements. Though only a fractional part of the United States corn harvest, the Argentine crop normally supplies a large part of the corn entering into world commerce.

The 1950 stocks of oats, barley, and rye in these exporting countries were below average as well as smaller than in 1949. Oats stocks of 342 million bushels were about 100 million bushels smaller than the level of the previous year and 60 million below the 1944-48 average. A large part of the decline is noted in the United States figure. Barley at 132 million bushels, was about 20 percent below the 1949 figure and about 10 percent below average. Rye was below the comparatively high 1949 stocks but was still above average.

Total grain stocks in the United States reached a new high level at the beginning of July 1950, principally because of record corn supplies. Stocks of all grains, totaling 58 million short tons, were double the average for 1944-48 and about 10 percent above the large 1949 stocks.

The carry-over stocks of wheat on July 1 were estimated at 417 million bushels, about a third larger than the above-average stocks a year ago, but only about two-thirds as large as the record carry-over of 631 million bushels in 1942. The increased carry-over in large part offsets the decline in production this year, making the total wheat supply for the current season only about 40 million bushels less than the near-record supply at the beginning of July 1949. Farm stocks of 65 million bushels are a much smaller proportion of the total than usual.

Corn stocks on July 1 were estimated at 1,421 million bushels, 10 percent above the previous record holdings a year ago. The present large supply contrasts with the low stocks in 1948 when only 454 million bushels were on hand in all positions. Corn stocks for the 5 years ended July 1948 averaged 609 million bushels. Currently about 363 million bushels, a quarter of the total stocks are in off-farm positions. This unusually large proportion of the stocks off farms is largely accounted for by holdings of 234 million bushels by the Commodity Credit Corporation in their own bins.

Carry-over stocks of oats and barley, in contrast with corn, are smaller than a year ago. Oats stocks were smaller than the 1944-48 average, but barley stocks were above average. Off-farm stocks of both grains were the largest of record.

Total grain stocks in Canada on July 1, estimated at 6.2 million short tons, were a little less than a year earlier. Though not significantly smaller than in 1949, the current stocks were only two-thirds of the average for the 5 years ended 1948, which, however, includes 2 of the war years when stocks were abnormally high because usual export outlets were closed. Wheat stocks were virtually unchanged but stocks of coarse grains were smaller. Unchanged wheat stocks were largely attributed to maintenance of last year's high level of wheat exports through this season.

If present production prospects materialize, the wheat supply for the 1950-51 marketing season beginning August 1 will be about 655 million bushels, contrasted with the supply of about 470 million bushels for each of the past 2 seasons. That would be the largest supply for any season since 1944 and would leave more than 500 million bushels for export or carry-over, after supplying normal domestic requirements. Carry-over for the past 5 years averaged 120 million bushels.

If Canada's crop shows the substantial increase now in prospect, the wheat supply in North America would be the largest since 1944, totaling around 2.1 billion bushels. This is an increase of about 150 million over a year ago but is somewhat below the record figure of 2.6 billion bushels in 1942. Such a total would provide more than 1.2 billion bushels for export or carryover, after deducting normal domestic consumption needs, and represents a supply large enough to more than meet total world import needs this season. North American supplies of barley and oats are indicated to be the largest since 1945 and should provide a considerable surplus available for export.

No official estimates are available for July stocks in Argentina. On the basis of the best information available, however, stocks appeared to be somewhat less than they were a year earlier and sharply below the 1944-48 average. Stocks of all grains were estimated to be only a little more than half the 1949 stocks, with corn accounting for the bulk of the reduction. Corn stocks were only a fourth of the 1949 stocks, which were about at the 1944-48 average. The small corn stocks on hand are not adequate to cover normal domestic requirements for the remainder of the crop season, ending March 31, 1951. Stocks of other grains appeared to be moderately smaller than in 1949.

Australia's grain stocks were somewhat larger than in 1949. Wheat stocks were up about 25 percent, following the near-record crop harvested there last year. July 1 stocks were estimated to be about 35 percent above the 1944-48 average. Production of other grains is not large, and stocks remaining in mid-season are only a small part of the total.

---By Judith E. Downey, based in part upon reports from U. S. Foreign Service officers in the countries referred to.

NORTHERN HEMISPHERE BREADGRAIN CROP SLIGHTLY LARGER

The 1950 breadgrain production in the Northern Hemisphere will be slightly above the 1949 crop and also above the prewar average, according to latest information available to the Office of Foreign Agricultural Relations. (Breadgrain production in the Northern Hemisphere in 1949 represented 93 percent of the estimated world total.) Present prospects point to larger crops in all major producing areas. North Africa is the only exception to the general increase and this region, of course, produces only a small part of the total, amounting ordinarily to less than 2 percent of the Northern Hemisphere total. Quantitative estimates for world breadgrain crops are scheduled to appear in Foreign Crops and Markets, September 25, 1950.

The increase over 1949 is expected in the wheat crop, prospects for rye being slightly less favorable than a year ago. The present outlook is for a Northern Hemisphere wheat harvest about 5 percent above the 1949 production in that area. The largest increase is expected in Asia where the wheat harvest for the area, excluding China, is reported well above the 1949 outturn. Detailed information on China is lacking, and for comparative purposes it has been assumed that no significant change from last year is in prospect. Prospects are better than a year ago in most countries and especially in Turkey. Latest estimates place the outturn in that country at about double the small 1949 crop. A large increase in prospect for Canada is largely cancelled by a decline in the United States outturn, leaving a small net increase for North America. Rye production is expected to be slightly smaller than the 1949 outturn in both continental Europe and Soviet Russia. These two areas together account for about 95 percent of the estimated world total for rye.

Compared with the 1935-39 average, wheat is expected to be about 7 percent larger and rye 4 percent smaller, with a net increase of about 5 percent for the combined breadgrains. An increase of about 475 million bushels in North America is the principal factor in the increased wheat production. That increase, together with a smaller increase in the total for Asia, more than offsets reductions from the prewar level in other areas. Rye production is estimated to be about 5 percent below the 1935-39 average, largely because of a decline in the European acreage. The Soviet Union's acreage, in contrast, is believed to be well above the prewar level but production only slightly above.

The exportable surplus of wheat from the principal exporting countries of the Northern Hemisphere is expected to be larger than in 1949 principally because of the substantial increase in prospect for the Canadian crop. On the basis of the first forecast of that crop, about 500 million bushels would be available for export and carry-over during 1950-51, compared with about 335 million a year ago. Supplies in the United States are slightly below those at the beginning of the 1949-50 season, but would still provide about 700 million bushels for export or carry-over. A small increase is expected in the wheat harvest in Soviet Russia, and the total outturn in the Balkans appears to be slightly larger than in 1949.

The breadgrain crop in North America is estimated tentatively to be slightly above the large 1949 harvest, principally because of the unexpectedly high forecasts for Canada. The total would be about 40 percent above the 1935-39 average mainly as a result of the large expansion of the United States wheat crop since that period. The current United States crop of 996 million bushels, contrasting with the prewar average of 759 million, is the first wheat crop of less than 1 billion bushels since 1944. The Canadian crop, tentatively forecast at 544 million bushels would be the third largest on record.

The crop in Canada got off to a late start, with sub-soil moisture deficiency reported for most areas and severe flooding in parts of Manitoba. Unusually favorable growing conditions in July and early August appear to have overcome these factors, however, and the first official forecast shows expected per-acre yields to be among the highest on record. Since harvesting of spring grain had not become general at the time of the forecast, however, the figures may be subject to significant changes if harvest conditions should be unfavorable. Harvesting is expected to be from 1 to 3 weeks late in the Prairie Provinces so the crop would be unusually vulnerable to early frosts. Acreage for harvest is about a half million acres less than in 1949 when the outturn was 367 million bushels. A small increase is reported in the Mexican wheat crop. Rye production in Canada is forecast at 15.4 million bushels, an increase of more than 50 percent over last year's harvest. The United States rye crop of 22.5 million bushels is 20 percent larger than the 1949 outturn but only about half the 1935-39 average of 45 million bushels.

Breadgrain production in Europe is indicated to be slightly larger than the good 1949 harvest, now estimated at about 65 million short tons, but about 5 percent below the 1935-39 average. Following a mild winter, with little winterkill reported, growing conditions were favorable in most areas. In western Europe conditions were variable with total outturn better than last year and sharply above average in the United Kingdom. A smaller crop is reported for France, despite a slight increase in acreage. The Low Countries report smaller crops as a result of reductions in both acreage and yields. Switzerland's harvest is also somewhat smaller than the record crop reported for 1949.

Central Europe also has variable conditions. In Germany, Poland, and Austria little change from last year's crops is expected, while Czechoslovakia's outturn is indicated to be smaller because of reduced acreage and drought conditions. The net total for the Danube Basin countries is believed to be a little above the 1949 total. Better outturns are looked for in all countries except Yugoslavia, where crops have been reported affected by drought.

Conditions in the Mediterranean countries are much more favorable than in 1949, expecially in Spain and Portugal where conditions were considerably below average last year. The crop in Greece is also reported somewhat larger than a year ago and the Italian crop a little larger. In Scandinavia larger harvests are reported for Sweden and

Norway. Denmark's crops are reported smaller, but in Finland the harvest is expected to be about the same as a year ago.

Total acreage is a little above the 1949 total, mainly as a result of increases in the wheat acreage of the United Kingdom, Spain, France, Greece, and Austria. Per-acre yields are not up to the very high 1949 yields in most countries, but are reported considerably better in Spain and Portugal where yields were low last year. Better yields are also expected for Italy, Sweden and Greece.

Breadgrain crops in the Soviet Union were good to satisfactory toward the end of July, except in parts of the North Caucasus, Crimea, the Volga, and Central Black Soil Areas, according to official reports. The spring wheat area increased about 5 million acres and though yields may be slightly lower than last year, total breadgrain production may show little net change from the 1949 level.

Wheat production in Asia may be about 10 percent above the 1949 crop, assuming no significant change in China. Little information is available on prospects for the current crop in that large producing country. Increases are general throughout the Near East, especially in Turkey where the wheat crop is reported well above average in contrast with the small harvest in 1949. A moderate increase is reported for the Indian Union, but little change is seen in Pakistan. Rye is not an important grain in Asia, Turkey being the only country reporting a significant production. The current crop there is about 60 percent above the small harvest last year.

Northern Hemisphere countries of Africa show a decline of about 10 percent from last year's above-average wheat crop. Some reduction is noted for each of the important producing countries, though the change in French Morocco is nominal. Rye is of no significance in this area.-- By Judith E. Downey, based in part upon reports of U. S. Foreign Service officers in countries referred to.

COMMODITY DEVELOPMENTS

TOBACCO

CUBA'S TOBACCO EXPORTS DECLINE

Cuba's exports of unmanufactured tobacco during the first 5 months of 1950 were 9 percent below the level of the corresponding period of 1949, J. L. Martinez, American Embassy, Havana, reports. Cigar exports during January-May 1950 were over 55 percent below the first 5 months of 1949. Cigarettes and smoking tobacco exports were also below the level of the previous year.

The country's exports of leaf during January-May 1950 totaled 12.9 million pounds, compared with 14.2 million pounds during the corresponding period of 1949. Exports during the first 5 months of 1950 consisted of 6.2 million pounds of unstemmed filler, 4.6 million pounds of stemmed filler, about 1.8 million pounds of scrap and 0.3 million pounds of wrapper leaf. The United States continued to be Cuba's principal export outlet for leaf tobacco, taking 1.7 million pounds of unstemmed filler, 4.5 million pounds of stemmed filler, 1.8 million pounds of scrap and 0.2 million pounds of wrapper leaf during January-May 1950. Spain was the second most important export outlet for leaf during this period, taking 2.3 million pounds of unstemmed filler. Other export outlets during the first 5 months of 1950 include Canada, Chile, Uruguay, Germany, the Netherlands, Sweden, Switzerland and the Canary Islands.

Cigar exports totaled 5.2 million pieces during January-May 1950, compared with 11.8 million pieces during the corresponding period of 1949. The United States took 3.6 million cigars, or nearly 70 percent of the January-May 1950 total. Other export outlets include Canada, Panama, Venezuela, Spain, and Switzerland. Cigarette exports, over 86 percent of which went to Panama, totaled 6.7 million pieces during January-May 1950. This compares with exports of 7.6 million pieces during the corresponding period of 1949. Smoking tobacco exports during the first 5 months of 1950 totaled only 2,747 pounds, or 44 percent below the 4,945 pounds exported during January-May 1949.

BURMA'S TOBACCO ACREAGE HIGHER; FOREIGN TRADE DECLINES

Burma's 1949-50 tobacco acreage is estimated at slightly above 1948-49 and about 27 percent above the prewar level, according to David Klein, Vice Consul, American Embassy, Rangoon. Exports and imports of leaf and manufactured products are still far below prewar levels.

The 1949-50 acreage planted to tobacco is estimated at 137,000 acres, compared with 135,000 acres in 1948-49, and a prewar, 1935-39, average of approximately 108,000 acres. During the war the area devoted to tobacco declined to about 75,000 acres annually. The current harvest is estimated at approximately 63,000,000 pounds, or over 40 percent below the prewar average of 107,072,000 pounds. The average yield is reported to be far below prewar primarily as a result of unsettled conditions in the country which have made proper planting, cultivation and harvesting extremely difficult.

In 1948-49 there were practically no imports of leaf into Burma and imports of manufactured tobacco products totaled only 689,000 pounds. This compares with leaf imports totaling 423,000 pounds in 1947-48, 2,600,000 pounds in 1946-47, and 14,687,000 pounds in the prewar year, 1938-39. Imports of manufactured products totaled 493,000 pounds in 1947-48, 1,671,000 pounds in 1946-47 and 1,257,000 pounds in 1938-39. In all years leaf imports came largely from India. Manufactured tobacco, consisting largely of cigarettes, came principally from India and the United Kingdom.

Exports of unmanufactured tobacco totaled 1,024,600 pounds in 1948-49, compared with only 68,200 pounds in 1947-48 and over 3,173,000 pounds in 1938-39. Manufactured tobacco exports totaled 47,200 pounds in 1948-49, 12,300 pounds in 1947-48 and 277,300 pounds in 1938-39. India has been the principal export outlet for both leaf and manufactured tobacco.

GRAINS, GRAIN PRODUCTS AND FEEDS

U.S. RICE EXPORTS INCREASE IN JUNE

United States rice exports in June totaled 610,000 bags (100 pounds milled), the largest in 5 months. The principal countries to which milled rice was exported were Cuba, Venezuela, Greece, and Switzerland. Rough rice deliveries to Japan and Canada equaled 216,000 and 13,000 bags, respectively.

RICE: United States exports to specified countries, June 1950, with comparisons 1/

(100-pound bags)

Continent and country	August-July		August-June 2/		June 2/	
	1937-38 to 1941-42	1948-49	1948-49	1949-50	1949	1950
	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags	1,000 bags
Switzerland	41	49	39	99	17	20
Austria	3/	222	222	47	45	0
Greece	64	205	197	224	22	109
Belgium and Luxembourg	66	75	57	248	5	1
Other Europe	257	43	43	55	3	6
Europe	428	594	558	673	92	136
Cuba	2,750	5,223	4,913	4,929	366	269
Canada	194	454	423	442	32	22
Venezuela	20	148	104	205	56	22
Br. West Indies	4/	136	101	120	27	4
Philippines	4/	1,256	843	18	24	0
China	5/	811	811	0	0	0
Indonesia	5/	886	886	1,732	0	0
Japan	5/	19	24	580	0	141
Other countries	190	407	383	461	13	16
Total	3,582	9,934	9,046	9,160	610	610

1/ Milled rice, including brown, broken, screenings, and brewers rice and rough rice converted to terms of milled at 65 percent. 2/ Preliminary. 3/ Not separately classified. 4/ Less than 500 bags. 5/ If any, included in "Other countries."

Bureau of the Census.

Exports during the 11-month period of the 1949-50 marketing year approximated the record of the preceding season. Trade with Cuba, again accounting for more than one-half of United States exports, was maintained at about the same volume. Deliveries to Indonesia and Japan increased sharply during the year, but little rice was exported to China and the Philippines.

PHILIPPINE RICE ACREAGE INCREASES

Rice planting in the Philippines this season is forecast at 5,900,000 acres, or around 400,000 acres more than the record of the year before, according to a report from Merril W. Abbey, American Embassy, Manila. Weather conditions as of August 1 were reported excellent, and there has been adequate rain at the right time. Should growing conditions continue favorable through December, a production of around 6,300 million pounds of rough rice is possible. This is substantially larger than in previous years.

PHILIPPINES: Rice acreage and production, averages 1935-36/44-45, annual 1945-46/50-51

Year	Acreage	Yield per acre	Production	
			Rough	In terms of milled
	1,000 acres	Pounds	Million pounds	Million pounds
Average:				
1935-36/39-40	4,852	973	4,719.5	3,304
1940-41/44-45	5,265	940	4,950.0	3,465
1945-46	4,346	915	3,977.0	2,784
1946-47	4,644	991	4,603.6	3,223
1947-48	5,007	987	4,940.2	3,458
1948-49	5,347	1,027	5,492.3	3,845
1949-50	5,486	1,041	5,711.4	3,998
1950-51 1/	5,900	1,068	6,300.0	4,400

1/ Unofficial estimates.

Compiled from official sources, except as noted.

EGYPTIAN RICE CROP PROSPECTS FAVORABLE

Egypt's 1950 crop of rough rice is forecast at 2,600 million pounds, slightly larger than the 2,560 million pounds a year earlier, according to a report from the American Embassy, Cairo. Water again is plentiful and the weather so far has been generally favorable. Exportable supplies are estimated at 770 million pounds as compared with 660 million pounds in 1949.

The Egyptian Government has not yet decided on a procurement policy for the new crop, but the Ministry of Supply may retain all of the 770 million pounds earmarked for foreign trade. The rice marketing situation reportedly is the same as in 1949, except that the price of milled rice may be reduced from 12 to 15 percent.

The 1949 crop was purchased by the rice mills from October to December for the account of the Ministry of Supply. Towards the end of December when crop yields became known, the Ministry instructed the mills to set aside a certain quantity for export at the direction of the Government. Forty-five mills in this way acted on behalf of the Government to export some 584 million pounds of white rice.

Of this volume, 143 million pounds were exported as of July 25. The 441 million pounds remaining were contracted to a large extent by the Ministry of Supply as follows: 110-130 million pounds to Japan, payable in Belgian francs, dollars and goods; 77 million pounds against a previous import of wheat; around 80 million pounds against United States military vehicles; and 110 million pounds in exchange for Indian jute. These consignments are now being shipped. The remaining 44-66 million pounds may be purchased by Japan.

CANADIAN GRAIN STOCKS SMALLER THAN IN 1949

Grain carry-over stocks in Canada on August 1 (the beginning of the new crop year) show a net decrease, with wheat stocks larger, but smaller stocks of coarsegrains than at the beginning of 1949. Stocks of the principal grains were all sharply below the abnormally high average of the past 10 years.

Wheat stocks on August 1 were estimated officially at 113 million bushels compared with 102 million bushels a year earlier and the average of 275 million bushels for the past 10 years. That average is large, however, since it includes the heavy stocks on hand during the war years, with the high point of 595 million bushels being reached in 1943. Stocks on farms were smaller than usual this year, with only 11 percent of the total in that position, compared with 43 percent on farms a year ago.

Carry-over stocks of oats were 44 million bushels, well below the 1949 figure of 60.5 million and the 10-year average of 73 million. The total of 33.6 million bushels of oats held on farms was down about 15 million bushels from the July 31, 1949 stocks.

Barley stocks in all positions were reported at 20 million bushels, only about two-thirds of the comparable figure for 1949, which was about the same as the 10-year average. Barley on farms was reported at 11 million bushels, down 7 million from the 1949 stocks on the same date.

The carry-over stocks of rye were about 6.6 million bushels, compared with the large stocks of about 12 million bushels a year earlier. Of the current total, slightly over 1 million bushels were held in United States positions. Farm stocks were down from 4.2 million bushels in 1949 to about 1 million at the beginning of the 1950-51 marketing season.

Canada: Grain stocks in all positions, July 31, 1940-1950 1/

July 31	Wheat	Oats 2/	Barley	Rye
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
1940	300,473	46,931	12,654	5,352
1941	480,129	41,563	10,908	4,919
1942	423,752	28,607	10,821	3,353
1943	594,626	149,341	69,279	15,268
1944	356,531	108,479	45,949	5,594
1945	258,073	98,255	28,919	2,024
1946	73,600	77,492	29,937	768
1947	86,141	69,484	28,764	755
1948	77,710	47,891	31,449	904
1949	102,411	60,507	29,669	11,918
Average	275,345	72,855	29,835	5,086
1950	113,232	44,335	20,392	6,606

1/ Figures include Canadian grain held in bond in the United States on July 31.

2/ In bushels of 34 pounds.

Dominion Bureau of Statistics.

Canada: Stocks of grain in all positions, July 31, 1949

Position	Wheat	Oats 1/	Barley	Rye
	1,000 bushels	1,000 bushels	1,000 bushels	1,000 bushels
On Farms	12,389	33,579	11,324	1,131
Country elevators	25,404	2,964	2,783	846
Interior private and mill elevators	4,250	557	1,658	9
Vancouver-New Westminster elevators	12,329	33	102	7
Churchill elevator	2,446	2/	-	-
Fort William - Port Arthur elevators	15,003	3,122	1,958	2,306
In transit, lakes	1,475	663	559	67
In transit, rail	8,307	2,000	1,193	196
Eastern elevators	29,945	1,106	485	943
In other positions	1,685	311	330	45
Total in Canada	113,233	44,335	20,392	5,550
Canadian grain in the U.S.	-	-	-	1,056
Total Canadian grain in Canada & the United States	113,233	44,335	20,392	6,606

1/ In bushels of 34 pounds.
2/ Less than 500 bushels.

Dominion Bureau of Statistics.

MISCELLANEOUS

CANADIAN MUSTARD SEED OUTPUT HIGHER

Canadian mustard seed acreage in 1950 is estimated at 14,325 acres, a substantial increase over the 5,000 acres grown in 1949 but far below the 30,000 acres grown in 1948. Current crop conditions are favorable and a harvest of 7 million pounds of mustard seed is expected, Philip C. Habib of the American Embassy in Ottawa reports. This compares with an output of 2 million pounds in 1949 and a bumper crop of 21 million pounds in 1948.

Practically all of Canada's 1950 mustard seed acreage was planted in the yellow variety. Present stocks of mustard seed in Canada are estimated at 3 million pounds, consisting of 2 million pounds of yellow mustard seed and 1 million pounds of the brown. The carry-over from the 1948 harvest amounted to about 10 million pounds. Current stocks and expected production should be sufficient to meet domestic requirements and provide about 6.5 million pounds of mustard seed for export. All of Canada's 1950 mustard seed exports are expected to go to the United States. Shipments of mustard seed from Canada to the United States during the first 6 months of 1950 totaled about 2.6 million pounds compared with 2 million pounds during the first half of 1949. The United States does not produce enough mustard seed to meet its requirements, and most of the difference normally is imported from Canada.

Commercial production of mustard seed in Canada is centered in a relatively small area around Lethbridge in Southern Alberta. Introduced from Montana about 15 years ago, it has become an important dry land crop in this region. It requires hot and dry weather late in the growing season to produce the best seed. For the most part, the crop is contracted for by seed firms and only small acreages are grown without a contract. Most of the current acreage is being grown under contract to 2 seed firms in Lethbridge. However, about 2,000 acres were planted by growers dealing directly with United States buyers. The contract price to growers declined from $6.75 in 1949 to $5.50 in 1950 per hundred pounds of cleaned Number I yellow mustard seed.

FATS AND OILS

NEW GUINEA, PAPUA COPRA EXPORTS STILL ONLY HALF PREWAR VOLUME

Copra exports from Australian New Guinea and Papua during 1948-49 amounted to 46,383 long tons or 72 percent greater than the 1947-48 shipments of 26,981 but about half the prewar exports, according to E. M. Schwarztrauber, of the American Consulate General, Sydney. Of the 1948-49 total, 36,925 tons came from New Guinea and 9,458 from Papua. In addition 353 tons of dessicated coconut were exported.

Copra exports are controlled by the New Guinea Production Control Board and the British Ministry of Food. In 1948-49 Australia received 63 percent of the exports from the Territories or 29,181 tons against 23,507 the previous year.

The area planted to coconut trees in New Guinea and Papua is unknown, but because of the difficulties still experienced in restoring plantations to normal, it is doubtful that the prewar area of about 300,000 acres has been reached.

A growing number of planters are reported to be shifting from smoke drying of copra to the hot air drying system because copra so cured commands a better price. About 10 percent of the copra reaching Australia from the Territories is smoked. The Administration of New Guinea hopes to start copra inspection as soon as possible to encourage growers to improve copra quality.

Plans for constructing new wharves and other shipping facilities have been announced. When completed, these improvements should stimulate copra output and assist in the transshipment of material.

The problem of native labor and welfare in the Territories is being reviewed by the Liberal Government according to a recent statement of policy by the Minister of External Territories. The Government expects to make some changes in the present system and to inaugurate some form of contractual agreement. The major problem seems to be to get enough labor. There are few incentives to work largely because consumer goods are scarce.

The majority of the copra plantations are either owned or controlled by 2 major shipping and merchandizing firms who also largely control the distribution of supplies to the Territories. Belief is that if a more diversified marketing system could be introduced the natives might take more interest in working for money to pay for desirable merchandise.

The outlook with regard to natives acquiring control of more plantations is doubtful. It is proposed, however, to make properties taken over by the Commonwealth Government after World War I available for purchase by ex-servicemen.

Probably the most important recent development in connection with copra is the 9-year agreement with the United Kingdom concluded in March 1950. This provides for the purchase of all copra of the Territories in excess of Australian requirements at the guaranteed price of £48 sterling per ton ($134.40) for fair, merchantable sundried or equivalent grade copra, f.o.b. Territory ports. Premiums up to £1-5-0 ($3.50) per ton or discounts of up to 12/6 ($1.75) per ton for lesser grades are allowed. The price of copra for each subsequent year is not to be more than 10 percent higher or lower than the preceding year and will be negotiated annually.

Considerable controversy has centered around Governmental control of copra as exercised by the Production Control Board. Since the war the Board has relinquished many of its responsibilities and now it is concerned chiefly with marketing the export supplies of the

Territories. As soon as possible this responsibility will revert to private enterprise, subject to restrictions necessary to implement the agreement with the United Kingdom. Producers are expected to be given representation on the Board, which now is composed only of Governmental officials.

Apparently nothing has been done about erecting a copra crushing plant in New Guinea. Crushing plants in Australia are approaching the limit of their 35,000 to 40,000-ton annual capacity since some 29,000 tons of copra were received in 1948-49.

The movement of copra in coastal shipping has been a major problem. Recently, however, there is reported to have been a marked improvement in the movement of Government controlled vessels.

TUNISIAN OLIVE OIL PRICES INCREASE SHARPLY

Since July 1, olive oil prices in Tunisia have steadily risen from a previous high of approximately 15,000 francs per hundred kilograms (19.7 cents per pound) of best grade oil wholesale to a present high of more than 18,500 francs (24.3 cents), reports J. W. Neubert, American Consulate General, Tunis. (Prices quoted in Foreign Crops and Markets, Vol. 61, No. 7, August 14, 1950, page 128, should have read "15,000 francs per 100 kilograms or 19.7 cents per pounds, sellers warehouse at Sfax in mid-July. The price at the beginning of the season was 10,000 francs or 13.2 cents".)

The basic reason for the sharp price increase in spite of the record Tunisian production last season, is the strength of the export demand for Tunisian olive oil following the outbreak of the Korean war. New and unexpected orders from Italy and France and increased local speculation in olive oil have contributed to recent price rises.

At the beginning of the year it seemed highly improbable that the exportable surplus from the olive oil output of 105,800 short tons could be sold. The Government, therefore, established a system of guarantees for advances paid to producers who were unable to sell their oil. The Government also initiated various schemes to insure the sale of olive oil by tying certain imports to olive oil exports. These schemes, aided by the unseasonable increased international demand for olive oil, have so far resulted in the export of about 66,000 tons. Since the average annual local consumption of edible oil (normally olive oil) is approximately 33,000 tons, it is evident that surplus stocks are now negligible. Olive oil stocks early in August were reported at 16,500 tons. New season's production of oil will not begin before late October.

While the price rise of Tunisian olive oil has shown certain fluctuations recently, there is no indication that the steady increase has yet stopped. Since the market is now completely free of government restrictions, this might mean continued exportation with the consequent necessity of importing other edible oil, probably peanut oil, before the new season's production of olive oil can be commercialized. The latest official estimate places the 1950-51 outturn at 28,000 to 38,000 tons.

ARGENTINE RATE OF TALLOW, LARD EXPORTS IN 1950 UP SHARPLY FROM 1949

Argentine tallow and cattle-fat exports in the first half of 1950 were nearly two and one-half times as great as in the first 6 months of 1949, according to the American Embassy, Buenos Aires. Exports of lard from Argentina in the January-June 1950 period, far greater than the abnormally small volume exported in the first half of 1949, exceeded the entire quantities shipped in the calendar years 1948 and 1949 and were two and one-half times as great as the average annual prewar tonnage.

ARGENTINA: Tallow and cattle-fat exports, January-June 1950, with comparisons

(Gross weight)

Country of destination	Average 1935-39	1948	1949 1/	January-June 1949 1/	January-June 1950 1/
	Short tons	Short tons	Short tons	Short tons	Short tons
North America:					
Canada	7	6,380	-	-	-
Cuba	377	1,984	-	-	-
Mexico	11	-	-	-	-
Other	9,935	566	-	-	192
Total	10,330	8,930	-	-	192
South America	1,914	4,996	1,082	211	1,227
Europe:					
Belgium	2,974	496	14	-	398
Czechoslovakia	1,222	608	1,680	1,289	-
Finland	56	1,925	3,293	2,016	1,171
France	937	3,886	-	-	1,307
Germany	13,264	-	1,836	896	258
Italy	2,082	13	1,124	19	5,747
Netherlands	7,875	553	-	-	864
Poland	13	378	1,205	1,205	-
Spain	1,296	173	-	-	-
Sweden	1,695	-	-	-	2,594
Switzerland	1,133	481	902	-	1,032
United Kingdom	17,903	36,913	28,213	4,797	5,075
Other	2,212	1,272	-	-	750
Total	52,662	46,671	38,267	10,216	19,196
Japan	21	6,890	-	-	-
Morocco	-	-	-	-	3,146
Others	313	646	7	7	2/ 1,757
Grand total	65,240	68,133	39,356	10,434	25,518

1/ Preliminary.

2/ Algeria 1,400, Union of South Africa 35.7.

Compiled from official sources and consular reports.

Tallow and cattle-fat exports in the first 6 months of this year totaled 25,518 gross short tons. Of this, 75 percent--or 19,196 tons--went to European countries with Italy and the United Kingdom together **taking over** half of the tonnage. Exports from Argentina also included 3,146 tons to Morocco and 1,400 tons to Algeria.

Lard exports from Argentina in the first half of 1950 totaled 21,220 tons. Virtually all of this went to Europe. The major purchasing countries were Sweden, Austria, and Yugoslavia--accounting for more than 80 percent of the total exports to Europe.

ARGENTINA: Lard exports, January-June 1950 with comparisons
(Gross weight)

Country of destination	Average 1935-39	1948	1949 1/	Jan.-June 1949 1/	Jan.-June 1950 1/
	Short tons	Short tons	Short tons	Short tons	Short tons
North America	-	813	-	-	-
South America	685	2,725	774	610	693
Europe:					
Austria	-	-	657	-	4,828
Finland	-	583	-	-	1,052
Hungary	-	446	-	-	-
Italy	127	817	1,000	1,000	-
Poland	-	1,422	-	-	-
Sweden	-	-	-	-	7,716
United Kingdom	6,673	13,207	5,895	-	612
Other	919	184	674	46	2/6,313
Total	7,719	16,659	8,226	1,046	20,521
Others	163	27	19	-	6
Grand total	8,567	20,224	9,019	1,656	21,220

1/ Preliminary.
2/ Belgium 1,250, Germany 12, Ireland 585, and Yugoslavia 4,466.

Compiled from official sources and consular reports.

PARAGUAY'S CURRENT EDIBLE OIL SUPPLY

Paraguay is approximately 85 percent self-sufficient in the production of edible vegetable oils, primarily cottonseed oil and peanut oil, according to W.F. Lebus, American Embassy, Asuncion.

The 1950 commercial cottonseed outturn, estimated at 26,400 tons, is slightly larger than last year's 24,000 tons. Crushings from the current crop should yield about 2,650 tons of cottonseed oil. Peanut production of 2,300 tons is expected to provide approximately 430 tons of edible oil. The peanut harvest is considerably below earlier expectations, due largely to unfavorable pre-harvest weather.

The Paraguayan Government is continuing its policy of establishing minimum prices for raw materials used in the manufacture of edible oils, as well as maximum prices which may be charged the consuming public for the refined oil. Identical prices are set for refined peanut oil and cottonseed oil despite the fact that because of higher processing costs practically no margin of profit is left for the producer of peanut oil. This situation stems from the general shortage of edible oils in Paraguay and the desire of both the Ministry of Economy and the processors themselves to establish prices low-income consumers can pay. All of the larger oil producers in Paraguay handle both cottonseed oil and peanut oil, even though losses may be incurred in processing the latter, since larger profits can be realized through the sale of cotton fiber, oil, cake, and other by-products. Prices for both oils beginning July 15, 1950, are as follows (equivalent of U. S. cents per pound): at factory 21.8, wholesale 24.3, and retail 25.0.

Leading oil producers think that the minimum wholesale price for peanut oil would have to be the equivalent of 31.4 cents per pound to enable the processor to meet operational costs and to realize a fair profit on his investment.

Since 1937 there has been no authorized foreign trade in edible oils in Paraguay because continued efforts are being made to make the country completely self-sufficient. Because of reduced production and increased consumption requirements, there will be a small deficit of edible oils during 1950. With a view to conserving needed foreign exchange no plans are contemplated for importing the difference, but through a system of rationing it is hoped that existing stocks can be made to suffice.

It has been anticipated in the pre-harvest period that with a sufficiency of edible oils in Paraguay it would be possible to price cottonseed oil and peanut oil separately, thus setting the price of each at a level commensurate with the cost of processing. Had this been possible it was contemplated that the wholesale price for peanut oil would be fixed at the equivalent of 31.9 cents per pound, while that of cottonseed oil would be pegged at 18.6 cents per pound. As the facts became known it was evident that the shortage of oil precluded such action and the single price system was continued. No change is likely in the immediate future.

Production of edible oils in Paraguay undoubtedly could be increased if a greater price incentive were offered and if improved harvesting and transportation facilities were available. With higher cost of labor as a result of the recently increased wage scale it is felt that the current prices paid to processors have not risen in proportion to the processing costs. Until such time as remedial measures are taken from a financial point of view to cause farmers to expand the output of raw cotton and peanuts it is unlikely that Paraguay's position as a producer of edible oils will improve.

COTTON AND OTHER FIBER

COTTON-PRICE QUOTATIONS ON WORLD MARKETS

The following table shows certain cotton-price quotations on foreign markets converted at current rates of exchange.

COTTON: Spot prices in certain foreign markets, U.S. gulf-port average, and taxes incident to exports

Market location, kind, and quality	Date 1950	Unit of weight	Unit of currency	Price in foreign currency	Equivalent U.S. cents per pound: Spot quotation	Equivalent U.S. cents per pound: Export and intermediate taxes
Alexandria		Kantar				
Ashmouni, Good........	8-24	99.05 lbs.	Tallari	71.15	41.24	2.96
Ashmouni, FGF.........	"	"	"	(not	quoted)	
Karnak, Good..........	"	"	"	86.15	49.94	2.96
Karnak, FGF...........	"	"	"	77.15	44.72	2.96
Bombay		Candy				
Jarila, Fine..........	"	784 lbs.	Rupee	1/ 620.00	16.50	5.32
Broach Vijay, Fine....	"	"	"	1/ 690.00	18.37	5.32
Karachi		Maund				
4F Punjab, SG, Fine...	8-23	82.28 lbs.	"	88.80	32.56	4.62
289F Sind, SG, Fine...	"	"	"	91.80	33.66	4.62
289F Punjab, SG, Fine	"	"	"	94.80	34.76	4.62
Buenos Aires		Metric ton				
Type B...............	8-24	2204.6 lbs.	Peso	4450.00	41.77	3.51
Lima		Sp. quintal				
Tanguis, Type 3-1/2..	8-23	101.4 lbs.	Sol	(not	quoted)	
Tanguis, Type 5......	"	"	"	(not	quoted)	
Pima, Type 1.........	"	"	"	(not	quoted)	
Recife		Arroba				
Mata, Type 4.........	8-24	33.07 lbs.	Cruzeiro	270.00	44.42	5.40
Sertao, Type 5.......	"	"	"	(not ava	ilable)	
Sertao, Type 4.......	"	"	"	285.00	46.89	5.70
Sao Paulo						
Sao Paulo, Type 5....	"	"	"	266.00	43.76	2-1/2% ad valorem
Torreon		Sp. quintal				
Middling, 15/16".....	"	101.4 lbs.	Peso	285.00	32.52	4.13
Houston-Galveston-New Orleans av.Mid. 15/16"	"	Pound	Cent	XXXXX	37.93	----

Quotations of foreign markets and taxes reported by cable from U.S. Foreign Service posts abroad. U.S. quotations from designated spot markets.

1/ Nominal.

CANADIAN COTTON CONSUMPTION INCREASES

Cotton consumption in Canada has been reported at 421,000 bales (480 pounds net) for the 1949-50 season, the highest level in any year since the war. This is a 10 percent increase over the 383,000 bales consumed during the previous season of 1948-49 but still under the wartime peak of 506,500 bales in 1941-42.

While consumption declined in July to 32,000 bales from the 40,000-bale level of the previous 4 months, this was seasonal and consumption is still above the level of the previous season. Many cotton mills close down during this time of the year to give their employees a one or two-week paid vacation. Therefore, the decline in consumption would not necessarily mean any slackening in mill activity of those mills in operation.

The high level of cotton mill operation during the past few months is coincident with general prosperity in Canada and the accompanying high level of demand for cotton goods. Although there are some disturbing elements in the situation, the textile industry generally appears confident that the present prosperity will continue. Its major fear is foreign competition. British textile exporters are attempting to increase their sales to dollar areas and the imports of British textiles into Canada have been increasing since devaluation of the pound sterling in September of 1949.

Canada increased import quotas on April 1, 1950, for U.S. textiles by 10 percent. This raises the annual value of textiles which may be imported into Canada from $61 million to around $67 million. The increase was considered of minor significance but as Canada's balance of payments improves, further relaxation of imports may follow.

The original quotas were established at 32 percent of the dollar value of imports from the United States for the 12 months' period ending June 30, 1947. They were increased to 40 percent in April 1949. The April 1 increase brought them to 44 percent.

During the 11-month period August 1, 1949 through June 1950 Canada imported 401,000 bales of cotton, of which 275,000 bales were from the United States and 123,000 were from Mexico. Imports from other areas were negligible. The significant feature of raw cotton imports has been the increased use of Mexican cotton. Although some spinning mills still use only United States growths, Mexican cotton is gaining wider acceptance over most of the Canadian markets. Indications are that Canada has secured about two-thirds of its cotton import requirements from the United States in the 1949-50 season, as compared to 85 percent in most seasons since the end of the war and 97 percent in prewar years.

CANADA: Cotton imports by country of origin; average 1934-38; annual 1939-40 thru 1949-50 1/

(Bales of 500 pounds gross)

Crop year	United States	Egypt	India	Brazil	Peru	Mexico	Others	Total	Percent U.S. of total
5-yr. av. 1934-38...	278,761	7,251	1,151	2/	2/	2/	1,005	288,168	96.7
1939-40.....	458,737	15,204	2,234	11,340	0	0	170	487,685	94.1
1940-41.....	188,958	13,857	1,919	254,947	3,355	0	417	463,450	40.8
1941-42.....	293,988	21,016	4,262	270,588	18,115	111	5,161	613,241	47.9
1942-43.....	318,334	3,930	1,691	28,849	6,480	6,665	5,610	371,559	85.7
1943-44.....	325,589	311	2,408	159	343	6,185	639	335,634	97.0
1944-45.....	325,830	937	2,642	10,355	375	25,565	0	365,704	89.1
1945-46.....	345,915	1,469	6,922	14,591	321	40,104	0	409,322	84.5
1946-47.....	346,572	691	3,277	20,713	247	32,186	22	403,708	85.8
1947-48.....	161,033	4,907	2,425	41,083	474	150,205	654	360,781	44.6
1948-49.....	317,699	227	1,288	3,301	437	47,092	275	370,319	85.8
1949-50 1/ ..	275,155	75	1,059	152	550	122,663	1,447	401,101	68.6

1/ 1949-50 August through June. 2/ If any, included in "Others."

There are no official data on raw cotton stocks in Canada but the general consensus is that the stock position is low and mills appear to be operating on a hand-to-mouth basis until the new crop becomes available in Mexico and the United States. Available stocks of old-crop cotton in Mexico were about exhausted and since very little of the new Mexican crop can reach Canada in August, most of the August import requirements are expected to be filled from the United States.

On the basis of current market information cotton importers predict that Mexican cotton will maintain its place in the Canadian market during the 1950-51 season. Brazilian cotton, which had been considered earlier in the year, appears to be definitely out of the Canadian market for the coming season because of the short crop in Brazil and its current high price.---By Glenn A. Ruggles, based in part upon a report by Philip C. Habib, American Embassy, Ottawa.

INCREASED SYNTHETIC FIBER PRODUCTION IN JAPAN THREATENED BY SHORTAGE OF PULP

Production of rayon in Japan which in prewar years exceeded a half billion pounds, has increased rapidly from the wartime low of only 28 million pounds in 1945, but by 1949 production had recovered only to 126 million pounds or 23 percent of the peak production in 1938. In terms of world production of rayon, Japanese production fell from 28 percent of the total in 1937 and 1938 to only 2 percent of world output in the three years, 1945 through 1947, but rose to 5 percent in 1949.

In 1938 Japan produced 21 percent of the world supply of rayon filament yarn and 35 percent of the rayon staple, but by 1949 the percentages were only 4 and 6, respectively.

Table I.--JAPAN: Rayon production, by specified years, 1930-1949, with comparisons

Calendar years	Japan: Filament yarn	Japan: Rayon staple	Japan: Total rayon	World production, total rayon	Japan as percentage of world total rayon
	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Years:					
1930	37	-	37	457	8
1938	214	327	541	1,925	28
1942	95	175	270	2,648	10
1946	9	21	30	1,687	2
1948	36	35	71	2,451	3
1949	67	59	126	2,704	5
Quarterly average:					
1938	53	82	135	481	28
1948	9	9	18	613	3
1949	17	15	32	676	5
Quarters:					
1949 - 1st	13	10	23	1/	1/
2nd	18	14	32	1/	1/
3rd	17	13	30	1/	1/
4th	21	21	42	1/	1/
1950 - 1st	21	28	49	1/	1/
Annual capacity 2/:					
1950 (as of Mar.)	106	208	314	3,843	8
1951 (as of Dec.)	143	237	380	4,189	9

1/ Not available. 2/ Operable rayon producing capacity on an annual basis, assuming availability of raw materials is not a limiting factor.

Office of Foreign Agricultural Relations. Compiled from June issues of Rayon Organon, 1948 and 1950, and the July issue of Cotton published by the International Cotton Advisory Committee.

Quarterly production figures show the steady increase in Japanese production of both rayon staple and filament yarn, with only a negligible exception in the third quarter of 1949. Approximately equal quantities of filament and staple were produced in 1948 with a quarterly average of 9 million pounds each.

Filament yarn production rose from 9 million to 13 million pounds in the first quarter of 1949, and then to 21 million in the fourth quarter, remaining at 21 million in the first quarter of 1950. Rayon staple production increased from the 9-million-pound quarterly average in 1948 to 10 million in the first quarter of 1949, then to 21 in the last quarter, and on to 28 million pounds in the first quarter of 1950. Total Japanese production of rayon in the January-March quarter of 1950 was 272 percent of the 1948 quarterly average, but only 36 percent of the 1938 quarterly average.

In 1938 Japan held first place among rayon-producing countries. In 1949, however, it stood sixth with the United States, Germany, the United Kingdom, Italy, and France ranking it in the order named.

Table II.--RAYON: Production by specified countries, 1938 and 1949

Country	1938			1949		
	Filament yarn	Staple	Total	Filament yarn	Staple	Total
	Million pounds			Million pounds		
Japan	214	327	541	67	59	126
Other Africa & Australasia	1/	-	1/	3	1/	3
Germany	144	340	484	110	265	375
United Kingdom	102	30	132	167	113	280
Italy	101	167	268	110	80	190
France	62	11	73	102	57	159
Other Europe	89	22	111	175	275	450
United States	257	30	287	799	195	994
Other North America	14	-	14	55	12	67
South America	14	1	15	53	7	60
Total world production	997	928	1,925	1,641	1,063	2,704
	Percent	Percent	Percent	Percent	Percent	Percent
Japan as percentage of world	21	35	28	4	6	5

1/ Less than 500,000 pounds.

Office of Foreign Agricultural Relations. Compiled from Rayon Organon, June 1950.

Exports of rayon fiber from Japan are relatively small. Only 2 percent of the staple fiber produced and 29 percent of the filament yarn are exported, making 16 percent of the total rayon production which left the country in unmanufactured form.

Table III.--JAPAN: Exports of rayon compared with production, calendar year 1949

Rayon	Production	Export	Export as percentage of production
	1,000 pounds	1,000 pounds	Percent
Rayon staple	59,590	1,051	2
Filament yarn	66,740	19,170	29
Total	126,330	20,221	16

Office of Foreign Agricultural Relations. Compiled from Rayon Organon, June 1950.

Domestic consumption of rayon in Japan is increasing as that of cotton is relatively decreasing. The total quantity of rayon and cotton fiber consumed in 1938 comprised 26 percent of rayon and 74 percent of cotton. Rayon consumption fell to 14 percent in 1948, but since then has risen to 23 percent in the first quarter of 1949 and to 31 percent in the first quarter of 1950, while cotton consumption has fallen from 86 percent in 1948 to 69 percent in the first quarter of 1950, compared with 74 percent in 1938.

Table IV.--JAPAN: Consumption of rayon and cotton, January-March, 1950, with comparisons

Fiber	Quarterly averages		1949 quarters				1950
	1938	1948	1st	2nd	3rd	4th	1st
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Rayon:							
Staple fiber	11	4	10	11	11	14	18
Filament yarn	15	10	13	14	14	14	13
Total rayon	26	14	23	25	25	28	31
Cotton	74	86	77	75	75	72	69
Total	100	100	100	100	100	100	100

Office of Foreign Agricultural Relations. Compiled from Cotton, Monthly Review of the World Situation by the International Cotton Advisory Committee, July 1950.

Capacity for rayon production in Japan as of March 1950 was reported at 314 million pounds per annum, capacity for rayon staple fiber being about double that for rayon filament yarn. Japan's combined production of staple fiber and filament yarn amounting to 126 million pounds in 1949 was only 40 percent of its March 1950 capacity. By contrast world production in 1949 was 70 percent of capacity as measured in the same month. Plans to increase capacity to 380 million pounds as of December 1951 were announced some time ago but recent reports indicate plans for a further increase to 450 million pounds annually have now been approved. The latest authorization is said to include 373 million pounds of viscose and cupra yarn and staple, 44 million pounds of viscose high tenacity yarn, and 33 million pounds of acetate yarn and staple.

The 1950 plan for about 110 million pounds of rayon and 150 million pounds of staple fiber is reported to require between 280 and 290 million pounds of pulp. (One ton of pulp is calculated to produce approximately 1.1 tons of viscose or 0.7 tons of acetate rayon.)

The corresponding plan for 1950-51 pulp production is 231 million pounds of rayon pulp and 683 million pounds of sulphite pulp, or increases of 92 percent and 26 percent, respectively, over the preceding year. These types are in shortest supply. In 1948-49 production of rayon pulp reached only 121 million pounds and sulphite 392 million pounds.

The 1950-51 plan for 231 million pounds of rayon pulp includes 187 million pounds for rayon textiles. This 187 million pounds of rayon pulp for textiles plus the estimated stocks of 33 to 44 million pounds would make a total supply of about 220 to 230 million pounds - possibly a little short of anticipated needs.

The estimated demand for 683 million pounds of sulphite pulp includes the planned domestic production of about 494 million pounds, the 18 million allotted from rayon pulp and about 22 million each of soda pulp and straw pulp. The deficit of approximately 127 million pounds would need to be imported. In 1949-50 only about 110 million pounds of pulp were imported for synthetic textiles, and 103 million pounds were produced domestically. Synthetic textile producers had hoped to import in 1950-51 at least as much pulp as in the preceding year, but difficulties both in arranging payments and in procurement are causing concern in the industry. --- By Cecille M. Protzman.

FOREIGN TRADE

BRAZIL TURNS INCREASINGLY TO BARTER TRADE

Brazil has turned increasingly to barter trade during 1950. It has been estimated that in the 3 months, February-April 1950, from 15 to 30 percent of total imports were based on barter, and the scope of such transactions is expanding. This system is being used to dispose of export commodities which have become difficult to market abroad following currency devaluations by other countries and revived production in competing areas.

Since the adoption of the system in November 1949, the following export commodities have been authorized for barter: cotton, tobacco, babassu oil, castor oil, frozen beef, rice, caroa fiber, hides, yerba mate, lumber excluding pine logs, oranges, bananas, sorva rubber, bristles, and cattle hoofs and horns. The barter of Brazil nuts, cocoa and cocoa products, and sisal was also permitted until recently. Spot authorizations are also granted for additional products, not considered as important from the standpoint of the national economy as those listed above.

For the most part barter transactions were approved by the Brazilian control authorities only if they were with soft currency countries. With the inauguration of drastic import controls as a means of conserving dollars, barter deals with hard-currency countries such as the United States also have been permitted. Transactions are, however, limited to direct bilateral barter: selling to one country and then with the proceeds buying from a third country is prohibited.

Barter trade as it has been developed in Brazil is a combined import-export operation. In practice, Brazilian importers pass on to the exporters part of their profits in order to compensate for the low prices at which the export commodities have to be marketed abroad. The importer, in turn, offsets his subsidy to the exporter by the sale at high prices of the scarce import commodities. The subsidy to the exporters ranges from 20 to 60 percent of the selling price of the imported merchandise, and in most cases is said to be about 30 percent.

Barterable imports include such items as railroad and highway equipment, truck chassis, agricultural machinery and equipment, jeep-type motor vehicles and such durable consumer goods as refrigerators and watches. In certain instances the products to be traded under barter are linked; a recent announcement specified that imports of railway and highway equipment and truck chassis would be approved against exports of babassu and castor oil.

While considerable dissatisfaction with the barter trade has been voiced by foreign trade interests, those Brazilians who favor the present system argue that it permits trade that would not otherwise take place and helps avoid recourse to export subsidies, devaluation or multiple exchange rate practices.---By Doris D. Rafler, based upon a report by E. M. Goodwin, American Embassy, Rio de Janeiro.